

Agreed-Upon Procedures Related to the 10th Edition of the Army Chief Financial Officers Strategic Plan

Project No. D2007-D000FL-0123.000



**2nd Quarter 2007 In-Process Review
Army CFO Strategic Plan**

May 2, 2007



Purpose

The purpose of our agreed-upon procedures is to issue a report of findings on the 10th Edition of the Army CFO Strategic Plan in compliance with Generally Accepted Government Auditing Standards.



- Examination of plan maintenance process
- Analysis of requirements
- Analysis of composition and status



Observations

- Lack of Standard Operating Procedures, policies, plans, and procedures
- Lack of Tactical Implementation Plans
- Lack of institutional knowledge (due to turnover of action officer personnel)
- Lack of a definitive action officer job description (lack of understanding what is required and how to perform the tasks of an action officer)
- Lack of uniform method or procedure to determine percent of completion and start/finish dates



Process

“It is now up to each staff agency to **ensure that a tactical implementation plan is in place** that will enable them to accomplish each task. Each staff agency’s plan **must** identify the specific activities and resources required to complete each task. This follow-through **must** occur so that we will collectively accomplish the plan’s goals. There are myriad tasks in this Plan, and establishing priorities for the tasks must rest with each responsible functional component.”

From 7th, 8th, 9th and 10th editions of the Army CFO Strategic Plan



Army Staff Agency Suggestions

- Review the assignment of additional action officers, as needed (many agencies have multiple tasks that could be assigned to action officers more familiar with specific task requirements)
- Gain support of senior management
- Use VTC and teleconferencing to provide updated instructions and guidance to the action officers
- Better define tasks by simplifying the task process, guidelines, and procedures
- Integrate the CFO Strategic Plan with ongoing Army business transformation efforts and enterprise IT business solution delivery
- Align the Strategic Plan task requirements and implementation so they are aligned with the OSD business transformation plan, and the FIAR plan



Future Actions

- Conduct follow-ups with those agencies who have not completed questionnaire
- Develop a follow-up questionnaire as necessary
- Continue analyses of responses to the questionnaires, personal interviews, and significant email traffic



Requirements

Quantitative Analysis

There are 240 sets of WBS level 3; with 1,304 subordinate tasks

Selected line items with material weaknesses

WBS	Task	Fund	# Subs	FMR	Gov*	FMR/Gov	% w/ref
1.1.1	FBWT	GF	26	0	4	2	23%
1.1.2	FBWT	AWCF	20	1	0	0	5%
1.1.6	Cash	GF	25	7	0	0	28%
1.1.17	PP&E	AWCF	40	2	0	6	20%
1.2.5	Mil Retire	AWCF	23	0	1	1	9%
1.2.8	Environ Liab	GF	184	8	5	7	11%
4.1.1	SBR	GF	45	0	1	0	2%
4.2.1	SBR	AWCF	38	0	1	0	3%

*Other government sources are OMB, Treasury, GAO, FASAB, AAA and DoD OIG



Requirements

Qualitative Analysis

- Determine if all tasks in the strategic plan contribute to the achievement of an unqualified opinion of the financial statements
- Ensure all line items and accounts are covered by the strategic plan
- Identify the applicable laws and regulations for each task



Composition/Status

Observation: The number of tasks, start dates, finish dates, and percents complete continue to change significantly from edition to edition.

Are these changes being tracked, justified, and documented to ensure the integrity of the strategic plan and the process?



Composition/Status

Changes in Task Status

Edition	7th	8th	9th	10th
# of tasks	726	1182	1455	1782
Avg % complete	41.5%	41.7%	39.8%	40.2%
100% tasks	232	313	391	510
% of total	32.0%	26.5%	26.9%	28.6%
0% tasks	365	455	640	774
% of total	50.3%	38.5%	44.0%	43.4%
Avg of ongoing tasks*	54%	44%	42%	41%
Avg start date	6/22/2002	1/26/2003	2/14/2004	12/7/2004
Avg finish date	9/26/2004	11/22/2005	2/18/2007	4/3/2008

*those tasks that had a % complete from 1%-99%



Composition/Status

- Analysis
 - Completing comparison of current and prior editions of the Plan. Will select major anomalies for further review.
 - Performing initial work on the comparison of the Army Plan and the DoD FIAR Plan.
 - Held discussions with DFAS and ASA(FM&C) concerning process for updating the FIAR.
 - Obtained Army FIPs from OSD(Comptroller) and will be discussing capabilities of FIAR tool.
 - Potential Issue – Usability of FIAR tool by Components



Composition/Status

- Analysis (continued)
 - In the process of obtaining the Navy and Air Force Plans.
 - Will perform a high-level comparison on the approaches being used, time permitting.
- Crucial Systems
 - Requested lead agencies provide lists of systems crucial to completing tasks.
 - Suspense date was April 27, 2007.
 - 10 responses received; awaiting 5 responses.
 - Will compare implementation dates per system POC with those in the Army Plan and investigate differences.
- Material Weaknesses: Work yet to be performed



Questions?